

SENATE BILL 351  
By Black

AN ACT to amend Tennessee Code Annotated, Section 9-21-203,  
relative to general obligation bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-21-203, is amended by designating the existing language as subsection (a) and by adding the following language as new subsections to be designated as follows:

(b) Any local government proposing to sell general obligation bonds under the provisions of this chapter and part is authorized to sell such bonds either at a competitive sale or at a private negotiated sale as the governing body of the local government may direct. If the local governing body desires to sell general obligation bonds at a private negotiated sale, three-fourths (3/4) of the governing body must authorize such action. In addition, a written request for proposal must be sent to a minimum of five (5) qualified underwriters and a minimum of three (3) must be received at or prior to the request for proposal deadline. If any firm has served as a financial advisor on the issue in question during the last twelve (12) months, such firm shall be disqualified from participating in the underwriting of such issue.

(c) Any investment banking, financial, underwriting firm, or nonprofit association serving as a financial advisor, underwriter, or loan agent shall disclose all fees and costs associated with general obligation debt. This includes any annual fees or dues included in or associated with the original issue. If any nonprofit association loans funds through letters of credit, such non-profit association is also authorized to report fees and costs associated with each transaction approved by the governing body.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.